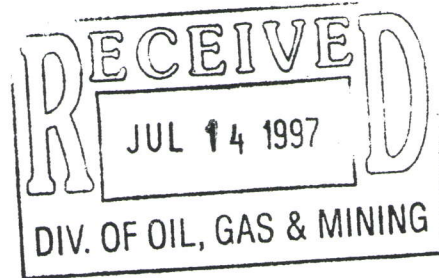




P.O. Box 4017
Grand Junction, Colorado 81502

July 14, 1997

Mr. David Terry
Director Utah School and Institutional
TRUST LANDS Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818



Dear David:

I wish to thank you and your group for taking the time from your busy schedule to visit the mining properties located in Grand County, Utah, T20S, R25E, which is located within the Westwater Mining District.

The first property that we visit will be School Trust Land, section 13, this area encompasses approx. 252 acres. You will find all the current information about this area located in the first section of this book. *5/014/041*

The second property visited will be the Pussycat Claims, this 960 acre area is located 1/2 mile west and 1/2 mile south of the southwest corner of School Section 13. Information about these claims will be located in the last section of this book. *5/014/030*

I hope this information will assist in some way, a better understanding of this area, however should you have any other questions or require further information, please feel free to call or write me at the following address.

Sincerely,

Ron Pene
Box 4017
Grand Junction, Colorado 81502
970-243-4473

PENE MINING

RON PENE
OWNER
PROJECT-MANAGER

BOX 4017
GRAND JUNCTION CO. 81502
970-243-4473 PH/FX
Localminer@AOL.com



DOGM RECEIVED
7/14/97

5/019/041

TEST RESULTS
SCHOOL, INSTITUTIONAL TRUST LAND
SECTION 13, T20S-R25E SLM
GRAND COUNTY, UTAH

Please review the enclosed maps of School Section #13. All of the test results are marked and the production results are as follows.

SITE #1 This ore was taken from a creek bottom, surface to bedrock, about 4 and 1/2 feet of loose gravels. This test showed very little black sands, some Gold and some Silver. The Gold value per ton was \$3.26, Silver value was \$1.68 per ton. Ore reserves at this site were about 2,350 tons.

SITE #2 This site was in the gravel bank 175 feet northeast of site #1. Gold value per ton was \$4.96, Silver value was \$2.54 per ton. The ore reserves at this site was the largest on this School Section, at 27,000 tons.

SITE #3 This site located 205 feet southeast of site #1 showed very little Gold or Silver, only \$1.39 Gold per ton and \$0.66 Silver per ton.

SITE #4 This site consisted of two separate tests, the first was from the surface to eight feet, the second was from eight to thirteen feet. Ending at bedrock. Test #1 showed very little Gold or Silver. Test #2, from 8 to 13 feet, showed Gold that ran \$5.75 per ton, and Silver at \$3.45 per ton. Ore reserves for test #2 would be 22,000 tons.

SITE #5 This site, as in #4 consisted of two test runs. Test #1 was from surface to 6 feet. Test #2 was from 6' to 12', or stopping at bedrock. Test #1 showed Gold at \$1.15 per ton, Silver at \$0.55 per ton. Test #2 showed Gold At \$5.50 per ton, Silver at \$2.90 per ton. Ore reserves for test #1 and #2 combined showed about 12,000 tons.

SITE #6 This site was located at the far east end of the School Section. This test was to evaluate a deposition pattern for the gravels and all precious metals in this area. This site showed the least amount of Gold and Silver on the whole property. Less than \$0.90 per ton of Gold, and no showing of Silver.

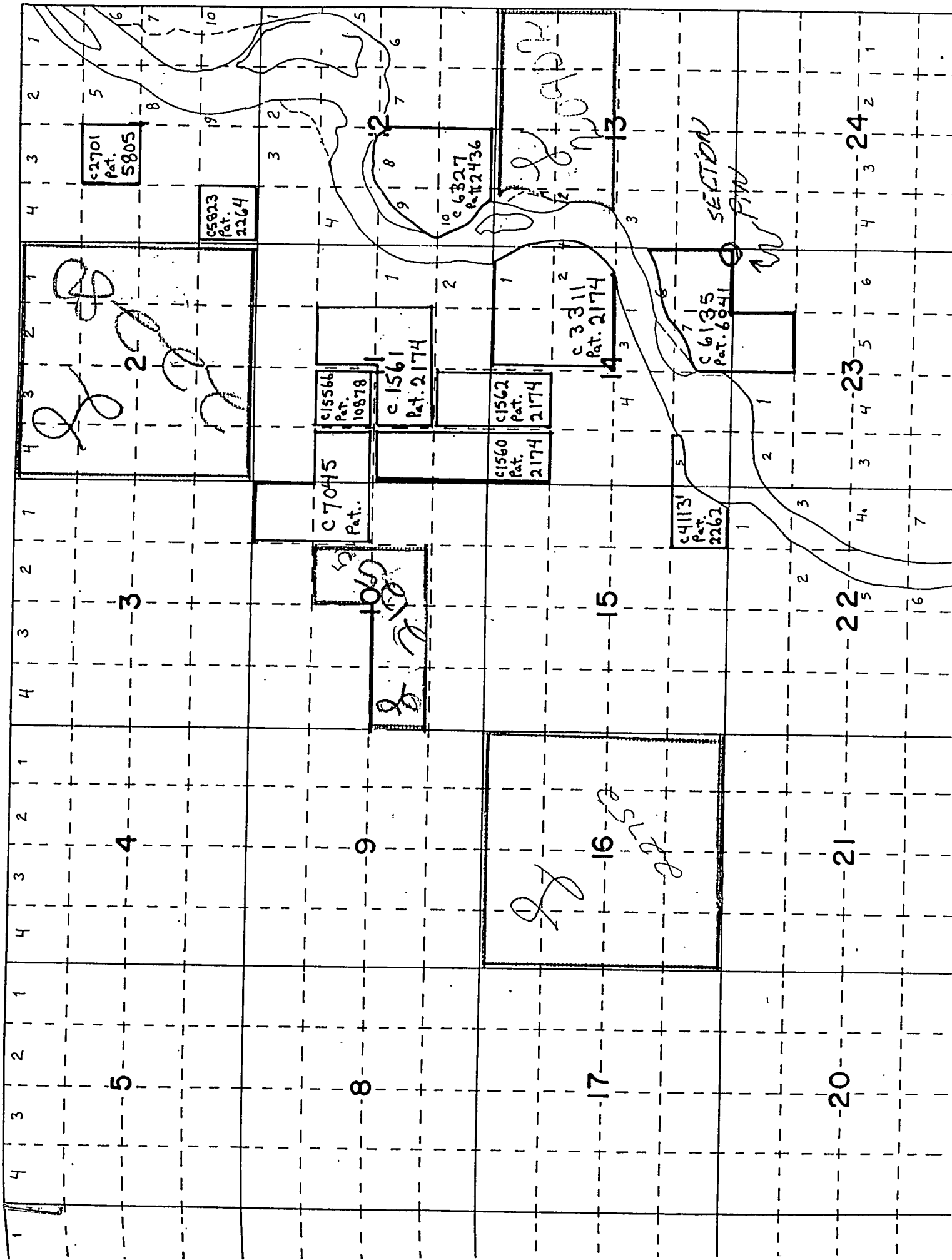
SUMMARY

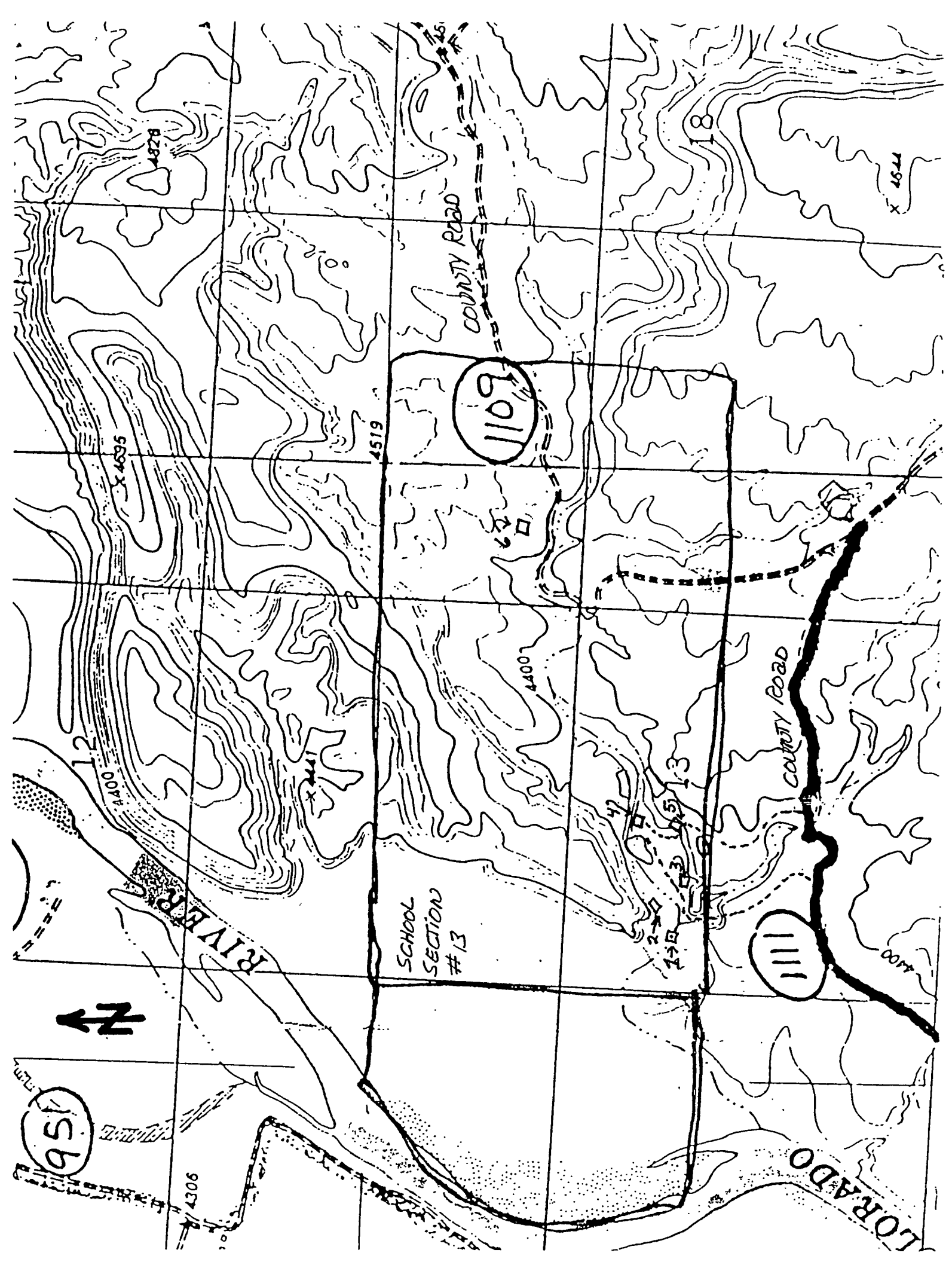
A total of 63, 350 tons in reserve at the average Gold per

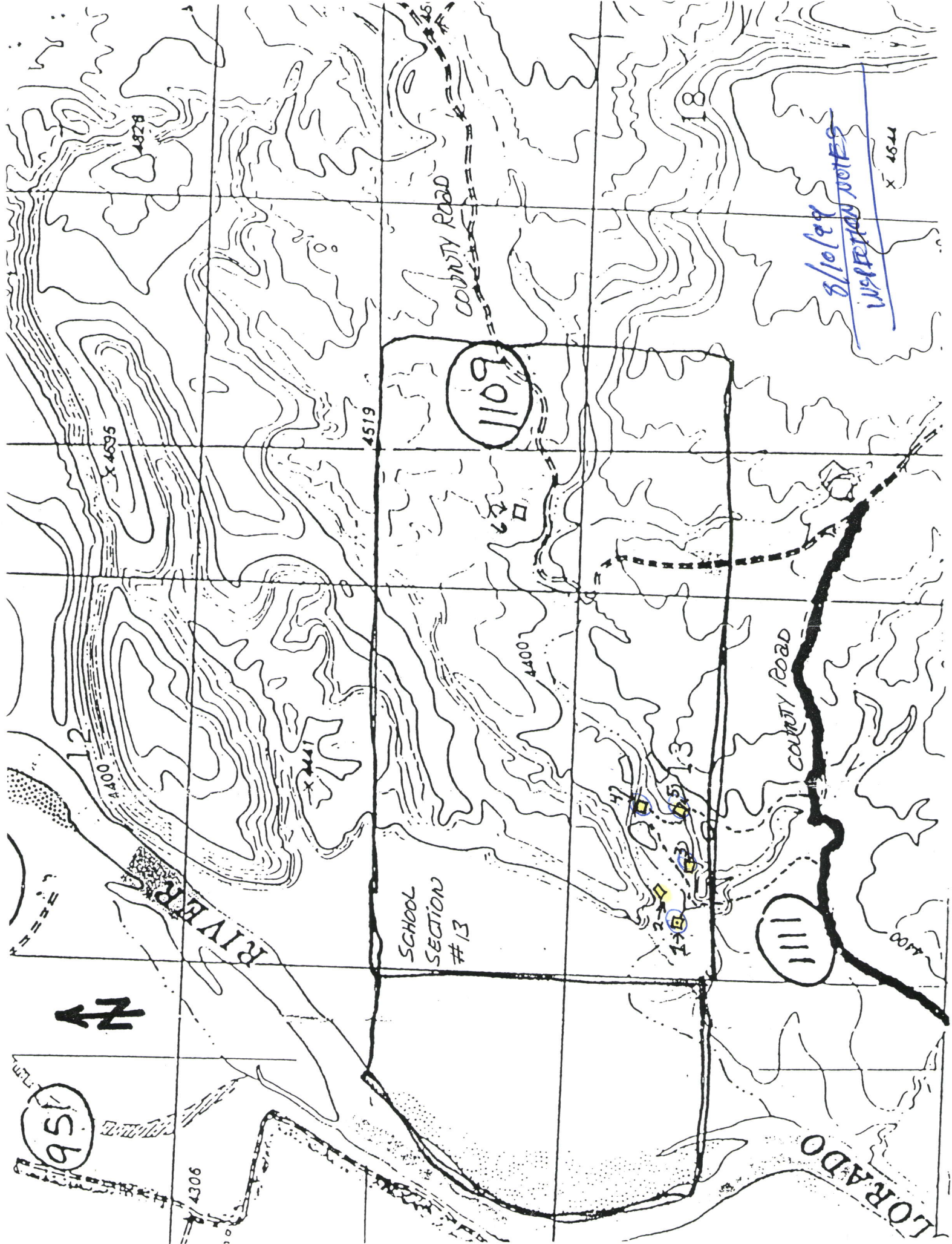
ton was \$4.82, Silver was at \$1.68 per ton. The operating cost, labor, materials, and reclamation, was from \$3.60 to \$4.12 per ton. It was also found that a total daily production would have to be at least 150 tons.

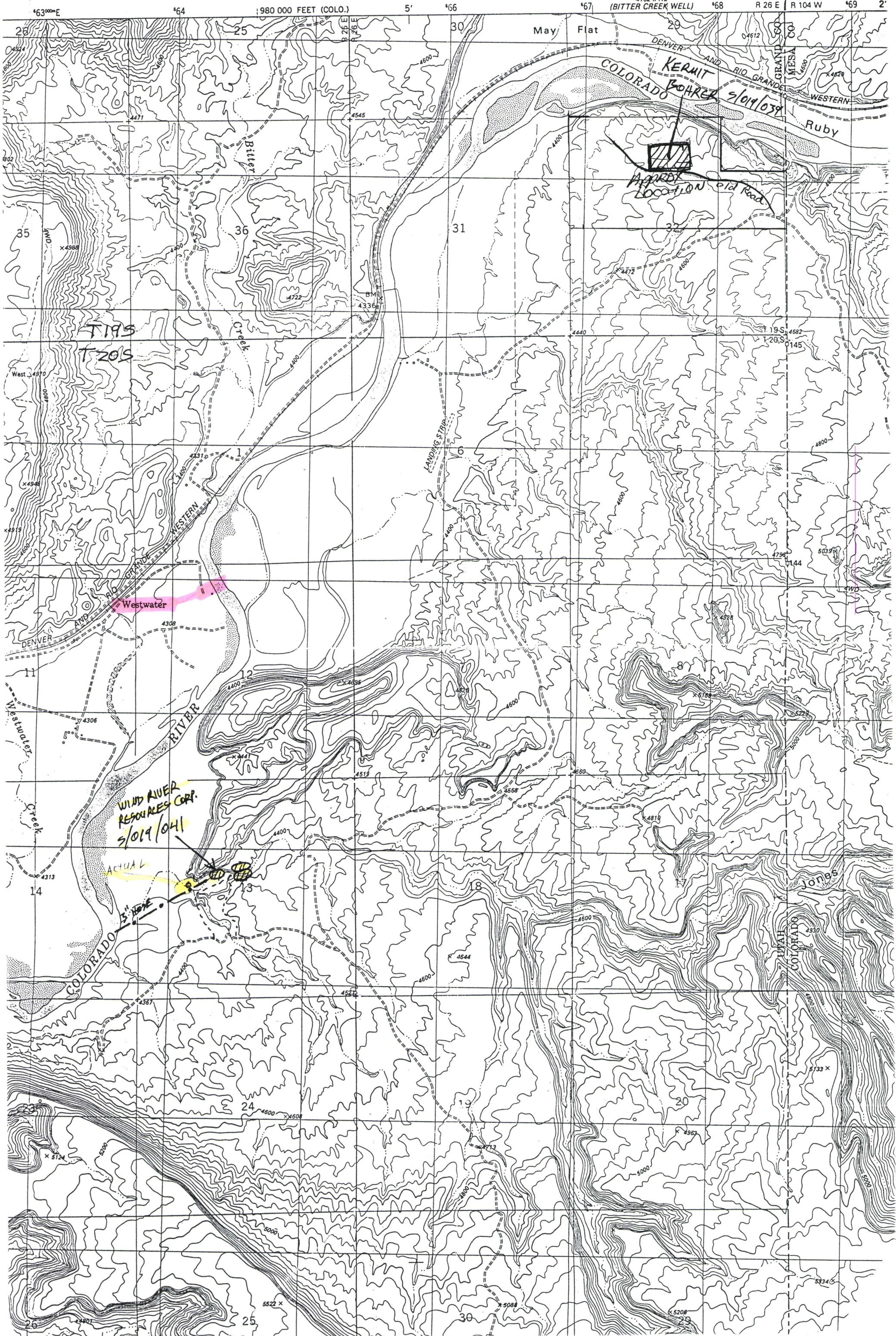
Ore reserves at site #2 and #5 could be expanded to over 300,000 tons. I had to stop all testing and production plans due to not having any water. The water in the creek dried up. I am unable to use water from the Colorado River, no water permit. The Division of Water Rights has informed me that it will be difficult to obtain water at this location due to the change of course of the River. The river has moved west clear out of Section 13, and now runs through section 14.

We are trying various ways to secure water from the River, but as of yet, we have not been able to complete this task.









5/09/04
WIND RIVER RESOURCES
STATE SECTION 13
E 1/2 NW 1/4 SEC 13 T20S, R25E

11 September 1949